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BAE

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Prices in farm and wholesale markets continued generally steady in the last month.

The index of prices received by farmers has varied within less than 2% since February. The biggest change was a 1% rise from mid-April to mid-May, mainly the result of a 22% jump in hog prices.

Prices of farmers' cost items have shown even less overall change in the last 4 months. In mid-May the index remained at the peak reached the month before.

Because of the stability in the 2 indexes, the parity position of farmers also has changed little. The parity ratio was 100 from February through April; rose 1 point in May.

The wholesale price level also has been stable over the last 4 months; was 4% below a year earlier in the week ending May 20.

Though farmers' prices have changed little so far this year, the average for the first 5 months is 5% below that for the same period of 1951. Prices paid, on the other hand, average 4 percent higher.

Economic activity generally continues at high levels. Spending for defense is rising. New construction is at record rates. Investment by private business is high though the rate is leveling off. Total output of goods and services in the first quarter of this year was up to a new record annual rate of \$340 billion.

LIVESTOCK AND MEAT Hog prices, which rose sharply in May, probably will rise further to a peak about late summer and average higher than last summer. Reduction in farrowings last fall and this spring probably will keep slaughter below 1951 the rest of this year.

Cattle prices have been unusually steady this spring. By late summer seasonal increases for fed cattle and seasonal decreases for grass cattle are in prospect.

Lamb prices have strengthened but have been well below a year ago; may rise further until early fall when marketings will increase seasonally.

DAIRY PRODUCTS Farmers prices for milk have declined about the usual seasonal amount since February. The milk-feed price ratio is average; the butterfat feed ratio below. The relation of milk prices to prices of hogs and beef cattle has become more favorable to dairymen in the last year. However, milk prices are still well below average in relation to beef cattle.

Milk production has been running below 1951 this year: Total for the year probably will be the lowest since 1941 except for 1948.

POULTRY AND EGGS Egg-feed and chicken-feed price ratios were unusually low in mid-May. With egg prices to farmers at a level which, except for March, was the lowest of the year, the egg-feed ratio was 8.1, 25 percent below average. The chicken feed ratio was 5.7, a third below average.

The drop in chicken prices in the last month mainly reflected increased marketings of broilers raised from the large number of chicks placed in February and March. Broiler marketings are expected to continue heavy through at least July. At that time, cockerels from farm flocks will begin coming to market in volume.

FATS AND OILS Prices of edible vegetable oils and the inedible tallow and greases rose in May. The latter had been below prewar levels in recent months. Wholesale prices of fats and oils, except butter, in May averaged about 10% above April but were still far below a year earlier.

FEED Use of corn, oats and barley in the first half of the 1951-52 feeding season was about 5 percent greater than a year earlier. Heavier feeding to livestock accounted for all of the gain. Stocks of the 3 grains on April 1 were about one-sixth lower than in each of the last 3 years when April 1 stocks were unusually high. Consumption of oilseed cake and meal also was heavy in the first half of 1951-52.

In the last half of the feeding season, use of grains probably will fall a little below last year. Fewer hogs will be on farms and farmers have disposed of most of the low quality corn from the 1951 crop. Use of all feed concentrates--grains and byproduct feeds--this year is expected to top 1950-51 by about 3 percent. Carryover of feed grains into 1952-53 is expected to be a third smaller than a year earlier.

WHEAT Prices began adjusting to the new crop in early May. The average received by farmers in the middle of the month was \$2.13, off 5 cents from the previous month.

FRUIT With supplies of both fresh and processed citrus fruits large, prices to growers in the next few weeks probably will continue lower than a year ago. Output of frozen concentrated orange juice from Florida oranges through early May was about 83% larger than a year earlier; prices paid by processing plants during February through mid-May for oranges were less than half those paid in the same period of 1951.

The peach crop in the 10 southern early States is expected to be a little larger than the 1951 crop, according to May 1 prospects.

VEGETABLES The potato crop in the late spring areas is expected to be only slightly larger than last year. The early commercial acreage for summer harvest is estimated to be 5 percent smaller than in 1951.

Sweetpotatoes will continue scarce until the new crop becomes available in late summer.

COTTON With mill buying relatively small, export purchases falling off and reduced demand for textiles cotton prices trended downward in recent weeks. U. S. mills used about 12 percent less cotton from August 1, 1951 to May 3 than in about the same period last year. Their stocks in early May were down almost a third from a year ago. Most of the buying for export this season has been completed.

Prices of cotton abroad have declined. In early May, foreign growths were generally selling below comparable qualities of American Upland cotton.

WOOL Wool prices at Australian auctions rose about 15 percent from early April to mid-May. This was reflected in a slight rise in the Boston market. Prices to farmers for wool in mid-May averaged 51.0 cents per pound compared with 49.9 a month earlier.

TOBACCO Demand for cigarette tobacco is expected to continue strong in the 1952-53 marketing year which begins next July 1. However, smaller exports of flue-cured are expected because of the efforts of Britain and some other Commonwealth nations to save dollars.

Prices for 1951 crop Maryland tobacco, now being marketed have averaged a little lower than last year. Quality of the tobacco offered was generally better than a year ago.

